

SENATE BILL 672

K4, P4

2lr1361
CF HB 806

By: **Senator Jones–Rodwell (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Investment Division – Salary Setting**

3 FOR the purpose of authorizing the Board of Trustees of the State Retirement and
4 Pension System to determine the qualifications, appointment, and
5 compensation for certain employees in the Investment Division of the State
6 Retirement Agency; specifying the positions to which the authority applies;
7 prohibiting the Board of Trustees from setting the salary of an employee above
8 a certain amount; prohibiting the Board of Trustees from granting bonuses
9 under certain authority; prohibiting the Board of Trustees from increasing the
10 salary of certain employees by more than a certain amount in a fiscal year;
11 requiring the State Retirement Agency to submit a certain report concerning
12 salaries of certain professional staff in the Investment Division and certain
13 professional staff who terminated employment in the Investment Division
14 during a certain fiscal year; ~~providing for the termination of this Act;~~ and
15 generally relating to the State Retirement Agency.

16 BY repealing and reenacting, with amendments,
17 Article – State Personnel and Pensions
18 Section 21–122(a)
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2011 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – State Personnel and Pensions

2 21–122.

3 (a) (1) There is an Investment Division in the State Retirement Agency.

4 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE
5 BOARD OF TRUSTEES SHALL DETERMINE THE QUALIFICATIONS AND
6 COMPENSATION FOR THE FOLLOWING POSITIONS WITHIN THE INVESTMENT
7 DIVISION:

8 (I) DEPUTY CHIEF INVESTMENT OFFICER; AND

9 (II) MANAGING DIRECTOR.

10 (3) THE BOARD OF TRUSTEES MAY NOT:

11 (I) SET OR INCREASE THE SALARY FOR THE DEPUTY CHIEF
12 INVESTMENT OFFICER AT AN AMOUNT GREATER THAN THE MAXIMUM SALARY
13 UNDER THE ~~ES10~~ ES11 SCALE OF THE MARYLAND EXECUTIVE PAY PLAN;

14 (II) SET OR INCREASE THE SALARY FOR A MANAGING
15 DIRECTOR AT AN AMOUNT GREATER THAN THE MAXIMUM SALARY UNDER THE
16 ~~ES8~~ ES9 SCALE OF THE MARYLAND EXECUTIVE PAY PLAN;

17 (III) PROVIDE BONUSES FOR AN EMPLOYEE; OR

18 (IV) SUBJECT TO THE LIMITATIONS UNDER ITEMS (I) AND
19 (II) OF THIS PARAGRAPH, SET OR INCREASE THE SALARY FOR A POSITION THAT
20 PROVIDES MORE THAN A 10% INCREASE OVER THE LOWEST SALARY FOR THE
21 POSITION IN THE PRIOR FISCAL YEAR.

22 (4) ON OR BEFORE OCTOBER 1, 2012, AND EACH OCTOBER 1
23 THEREAFTER, THE BOARD OF TRUSTEES SHALL REPORT TO THE SENATE
24 BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS
25 COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH
26 § 2–1246 OF THE STATE GOVERNMENT ARTICLE ON:

27 (I) THE CURRENT SALARIES OF THE DEPUTY CHIEF
28 INVESTMENT OFFICER AND THE MANAGING DIRECTORS OF THE INVESTMENT
29 DIVISION;

30 (II) ANY SALARY INCREASES THE DEPUTY CHIEF
31 INVESTMENT OFFICER OR MANAGING DIRECTORS OF THE INVESTMENT

1 DIVISION HAVE RECEIVED IN THE FISCAL YEAR IMMEDIATELY PRECEDING THAT
 2 OCTOBER 1; AND

3 (III) 1. THE NUMBER OF INDIVIDUALS IN THE
 4 INVESTMENT DIVISION OF THE STATE RETIREMENT AGENCY WHO WERE
 5 EMPLOYED AS PROFESSIONAL INVESTMENT STAFF AND TERMINATED
 6 EMPLOYMENT WITH THE STATE RETIREMENT AGENCY IN THE FISCAL YEAR
 7 IMMEDIATELY PRECEDING THAT OCTOBER 1;

8 2. THE NUMBER OF YEARS OF EMPLOYMENT AN
 9 INDIVIDUAL DESCRIBED IN ITEM 1 OF THIS ITEM HAD ACCRUED WITH THE
 10 STATE RETIREMENT AGENCY AT THE TIME THE INDIVIDUAL TERMINATED
 11 EMPLOYMENT WITH THE STATE RETIREMENT AGENCY; AND

12 3. TO THE EXTENT POSSIBLE, THE NEW EMPLOYER,
 13 POSITION, AND SALARY THE INDIVIDUAL DESCRIBED IN ITEM 1 OF THIS ITEM
 14 ACCEPTED UPON TERMINATING EMPLOYMENT WITH THE STATE RETIREMENT
 15 AGENCY.

16 ~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,~~
 17 ~~2012, and each October 1 thereafter, the Maryland State Retirement Agency shall~~
 18 ~~report to the Senate Budget and Taxation Committee, the House Appropriations~~
 19 ~~Committee, and the Joint Committee on Pensions, in accordance with § 2-1246 of the~~
 20 ~~State Government Article, on the salaries and any increases to salaries in the~~
 21 ~~Investment Division of the State Retirement Agency.~~

22 SECTION ~~2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
 23 effect July 1, 2012. ~~It shall remain effective for a period of 3 years and, at the end of~~
 24 ~~June 30, 2015, with no further action required by the General Assembly, this Act shall~~
 25 ~~be abrogated and of no further force and effect.~~

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.